
Amendment to Plan of Benefits

For Employees of: The Department of Defense Nonappropriated Fund Health Benefits Program
Administrative Services Agreement No.: 721027
Contract Number: NAFBA 1-99-C-0012

Effective January 1, 2004, the following changes have been made to your Booklet.

A. If you are enrolled in the Traditional Choice (TC) Plan, the payment percentage for Covered Medical Expenses for Mental Disorders has changed if you are confined as an inpatient. Benefits will be payable at 80% after the deductible; up to 60 days per calendar year, and then payable at 60% thereafter. Expenses for inpatient Mental Disorders will be applied toward the Out-of-Pocket Limit.

B. The Medical Plan covers expenses for Intrauterine Devices (IUDs). Covered Medical expenses include charges for IUDs and related outpatient contraceptive services such as consultations, exams and procedures associated with the device. Not covered are charges for services which are covered to any extent under any other part of this Plan or any other group plan sponsored by your Employer and charges incurred for contraceptive services while confined as an inpatient.

C. Enrollment options have changed if you are a retired employee and are eligible for Medicare. The following paragraphs are added to the Eligibility section of your Summary of Coverage.

- If you are a retired employee who is in an Eligible Class and you are eligible for Medicare due to age or disability and have a dependent(s) who is not eligible for Medicare, you may change your current coverage during Open Enrollment and Plan Selection Periods under either the Open Choice Plan or the Traditional Choice Plan.
- If you are a retired employee who is in an Eligible Class and when you and all of your dependents are eligible for Medicare due to age or disability, you and your dependents will only be eligible to select the Traditional Choice Plan.
- If you are a retired employee who is in an Eligible Class and you are currently enrolled in the Open Choice Plan and when you and all of your dependents become eligible for Medicare due to age or disability, you and your dependents will be immediately switched to the Traditional Choice Plan without any further option to elect coverage in the Open Choice Plan.

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- D. The following section entitled, “**Exceptions to Enrollment Procedures**” is added to the **Effective Date of Coverage** section of your Summary of Coverage.
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Exceptions to Enrollment Procedures

If a NAF employer reduces an employee’s work hours because troop deployment has reduced NAF business operations, and the employee subsequently drops enrollment in the NAF HBP, the employee may reenroll outside of the Open Enrollment Period if all of the following conditions are met:

The employer increases the employee’s hours and the employee otherwise meets NAF HBP eligibility requirements.

The employee enrolls within 31 days from the date of the increase in hours.

Coverage will become effective no earlier than the date of the Business Based Action (BBA) increasing the employee’s hours.

- E. The following paragraph replaces the paragraph that begins with “NOTE” appearing in the **DOD NAF Health Benefits Plan Secondary to Medicare** section of your Booklet.

NOTE: When you and all of your dependents (if applicable) are eligible for Medicare due to age or disability, coverage will be provided under the provisions of the Traditional Choice Plan. If, however, you have a dependent who is not eligible for Medicare, coverage may be provided under the provisions of the Open Choice Plan until such time when all of your dependents are eligible for Medicare.

- F. The following paragraph entitled, “**TRICARE-for-Life**” is added under the heading, “Your Coverage”, in the **Eligibility** section of your Summary of Coverage.
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TRICARE-for-Life

A retiree (annuitant) or eligible surviving spouse of a retiree (surviving annuitant) may suspend enrollment in NAF HBP for the purpose of enrolling in TRICARE-for-Life. If TRICARE-for-Life coverage is lost involuntarily, retirees may return to the NAF HBP coverage immediately, otherwise they may do so during the Biennial Open Enrollment Period. Retirees may not retain dental coverage in the NAF HBP if they have suspended their medical coverage while participating in TRICARE-for-Life.